

LONDON SUSTAINABILITY EXCHANGE

**Registered charity
Company limited by guarantee**

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2010**

Company Registration Number 5154010
Charity Registration Number 1122130

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LONDON SUSTAINABILITY EXCHANGE
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2010

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LONDON SUSTAINABILITY EXCHANGE

FOR THE YEAR ENDED 31ST MARCH 2010

REFERENCE AND ADMINISTRATIVE DETAILS

Name	London Sustainability Exchange
Directors and Board of Trustees	<p>The directors of the charitable company are its Trustees for the purposes of charity law and throughout this report are collectively referred to as the Trustees</p> <p>Elizabeth Balgobin Paul Buchanan Sean Brennan Clive Coley – appointed 29th June 2009 Andrew Eddy- resigned November 2009 Paul Edwards Carlo Laurenzi- resigned 17 February 2010 Peter Lewis – appointed 13th May 2009 Lindy Kelly – Deputy Chair Peter Madden Christopher Orchard – Hon Treasurer Martin Pilgrim – Chair Dean Rogers Robert Runcie – resigned 14th April 2009 Jamie Walls- appointed November 2010</p>
Company Secretary	Samantha Heath
Senior Management Team	<p>Samantha Heath, Chief Executive Gayle Burgess, Behaviour Change Programme Director Gail Freeman, Partnership and Communications Director</p>
Principle Address and Registered Office	<p>84 Long Lane London SE1 4AU</p>
Company Registration Number	5154010
Charity Registration Number	1122130
Auditors	<p>haysmacintyre Fairfax House 15 Fulwood Place London WC1V 6AY</p>
Bankers	<p>Co-Operative Bank 4th Floor, 9 Prescott Street London WC1V 6AY</p>
Solicitors	<p>Trowers & Hamlins Sceptre Court 40 Tower Hill London EC3N 4DX</p>
Website address	http://www.lsx.org.uk

London Sustainability Exchange does not have any retained external advisers. There are no custodian trustees acting for the charity and no assets are held as custodian for other charities.

LONDON SUSTAINABILITY EXCHANGE
DIRECTORS REPORT
FOR THE YEAR ENDED 31ST MARCH 2010

Chair's Introduction

I am delighted to present the second set of annual accounts for London Sustainability Exchange (LSx), which has operated as an independent charity since April 2008

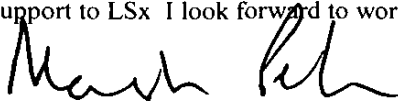
During 2009-10, LSx has extended its impact and deepened its influence on policy and practice, with an eye on our vision of a sustainable London. Underlying our approach is the recognition that problems like climate change, obesity and anti-social behaviour cannot be solved only by regulating individual behaviour. During the year, LSx consolidated its position at the forefront of developing innovative ways to enable Londoners to determine the shape of the places where they live, through their lifestyle choices, business practices and the ways in which they engage with the wider community as active and responsible citizens.

Our exemplar projects to improve well-being and reduce environmental impacts have worked at a neighbourhood level across London. During the year LSx worked with community groups to create new opportunities for Londoners to eat more healthily, to exercise more, and to take action in their homes and neighbourhoods to use energy and water more wisely. We also supported small businesses to take up greener practices, and we shared learning from our own projects and from others through our growing learner networks of professionals and community leaders.

Together, our training, events, courses and printed and online resources reached nearly a million Londoners. We estimate that our efforts have saved an estimated 1400 tonnes of carbon dioxide emissions and nearly 12,000 cubic meters of water.

Since its creation, LSx has shown that achieving change in sustainability needs action by individuals by community groups, by voluntary bodies and by the statutory sector – an early example of the “Big Society” philosophy.

I would like to thank our board, staff, volunteers, partners, and funders for their continued commitment, enthusiasm and support to LSx. I look forward to working with you all in the coming months.



Martin Pilgrim
Chair



.....2010

LONDON SUSTAINABILITY EXCHANGE

DIRECTORS REPORT (continued)

FOR THE YEAR ENDED 31ST MARCH 2010

The trustees, who act as directors for the purposes of company law, are pleased to present their report and audited financial statements for the year ended 31st March 2010

These comply with current statutory requirements, the memorandum and articles of association and the requirements of the Statement of Recommended Practice –Reporting and Accounting by Charities (SORP) 2008, and the Companies Act 1985

STRUCTURE, GOVERNANCE AND MANAGEMENT

The governing body of London Sustainability Exchange is the Board of Trustees (the Board)

The Trustees are responsible for ensuring that London Sustainability Exchange abides by its charitable aims, works within the law, and delivers its mission effectively. They oversee the policies and objectives of London Sustainability Exchange and ensure that the work of the organisation is monitored and evaluated effectively. The Trustees are unpaid volunteers.

The Board meets three times a year.

The Trustees serve for a three-year term, after which they must be re-elected for one further term of three years, after which they must retire. Each of the founding partners of London Sustainability Exchange nominates an individual to serve as a trustee on the Board. The founding partners are:

- Business in the Community
- Forum for the Future
- Groundwork
- London Councils
- London First
- London Voluntary Service Council
- London Wildlife Trust
- Mayor of London

Retiring trustees who have represented one of the founding partners are replaced by a new representative from that founding partner. In addition, the Board maintains a list of required skills and competencies, and seeks to ensure that recruitment fills any skill gaps left by retiring Trustees. New Trustees are appointed by the Board through networking or contacts.

New Trustees are invited to an induction meeting led by Chief Executive Samantha Heath. The induction provides an introduction to London Sustainability Exchange and a review of the duties of Trustees as defined by the Charity Commission. This is supplemented by a booklet of essential documents and other reference materials. Training requirements are established through a meeting between joining Trustees and the Chair.

The Board is led by the Chair of Trustees, an additional Trustee is elected as Honorary Treasurer. The Articles of Association allow Trustees to invite observers to attend all or part of any meeting. Observers represent key stakeholders including Government Office for London, the City of London and the Greater London Authority. Current observers of the London Sustainability Exchange Board of Trustees are:

- Faraz Baber, London Councils
- Penny Bramwell, Government Office for London
- Jeff Jacobs, Greater London Authority
- Simon Mills, City of London

LONDON SUSTAINABILITY EXCHANGE

DIRECTORS REPORT (continued)

FOR THE YEAR ENDED 31ST MARCH 2010

The Audit and Assurance Committee is a committee of the Board of Trustees, consisting of the Honorary Treasurer (as Chair), two other Trustees, the Chief Executive and the Finance Coordinator. George Gray acts as an observer of the Audit and Assurance Committee.

The committee meets three times a year to ensure the adequacy of London Sustainability Exchange's internal controls and financial management, and to consider and evaluate the work of the external auditors.

In carrying out this work, the committee takes responsibility for scrutiny, audit and review of the following:

- financial performance and reporting
- financial systems
- policies
- budget management
- audit arrangements, audit findings
- annual risk reviews (process and outcomes)

The day-to-day running of London Sustainability Exchange is delegated to the Chief Executive. The role of the Chief Executive is:

- to lead LSx, to ensure effective strategic and operational planning and risk management, within the criteria laid down by the Trustees
- to enable effective governance and decision-making by the Trustees
- to report to the Trustees on LSx's performance against approved strategies and objectives
- to oversee all LSx activities, being directly responsible for senior management and indirectly responsible for the full staff body, and to make final decisions regarding the structures, responsibilities and resources within LSx
- to be responsible for health and safety
- to ensure that LSx operates at all times in accordance with its charitable objects and values, and is accountable and credible in all its undertakings
- to take financial responsibility, as set out in the Financial Scheme of Delegation approved by Trustees

The CEO is assisted by the Senior Management Team in the day-to-day running of the organisation.

There are three main teams within London Sustainability Exchange:

Behaviour Change Team: delivering exemplar projects to promote sustainability in collaboration with others

Partnership and Communications Team: increasing sustainability literacy and sharing good practice on sustainability. Delivers fundraising and external communications for all the programmes.

Operations Team: providing operational support to all LSx programmes and staff.

LSx also benefits from volunteer interns who support the staff team in delivering projects and programmes; there were 19 interns in 2009, who volunteered a total of 808 working days, with an estimated equivalent value of £39,592.

Risk Assessment

The Trustees and senior management team review LSx's activities to identify the risks to which it is exposed, at three levels: organisational strategic risks, risks to the organisation associated with projects and risks to members of staff in delivering the projects. The Board of Trustees has delegated the regular monitoring of key risks to the Audit and Assurance Committee. Once each year, the full Board of Trustees review the risk register which shows controls that are in place and further actions required to manage the risk.

LONDON SUSTAINABILITY EXCHANGE

DIRECTORS REPORT (continued)

FOR THE YEAR ENDED 31ST MARCH 2009

OBJECTIVES AND PRINCIPAL ACTIVITIES

London Sustainability Exchange is a registered charity and a company limited by guarantee and not having share capital, the company was incorporated in the UK on 15th June 2004, although it remained dormant until 1st April 2008. Its governing documents are its Memorandum and Articles of Association, signed on 4th December 2007.

London Sustainability Exchange became an independent charity on 1st April 2008, having previously operated as a programme of Forum for the Future since its creation in 2001.

Our vision is of London as a sustainable World City.

The objects of the charity are to promote sustainable development in Greater London and elsewhere, by preserving the environment, relieving poverty, promoting sustainable economic growth, and advancing health, and to advance education of the public in sustainable development.

The Trustees have referred to the guidance available in the Charity Commission's general guidance on public benefit in reviewing the objectives of London Sustainability Exchange and planning its future activities. London Sustainability Exchange aims to benefit the public by reducing London's environmental footprint, improving the lives of disadvantaged communities, improving the health of Londoners and increasing the knowledge and skills of London's communities to achieve these goals.

To achieve our vision we run a series of structured programmes aimed at different beneficiary groups, grouped into themes. These themes are:

- **Reducing London's environmental footprint** – through exemplar projects to encourage and enable Londoners to take up more environmentally sustainable lifestyles, improve their quality of life and save money. We share good practice from these projects and from the work of others through learner networks, and seek to influence London policy. In 2009/10, we concluded our exemplar project in the Borough of Wandsworth to improve energy and water efficiency, which supported 1879 individuals from households and businesses across the target area, to achieve notional reductions in CO₂ emissions of 20% and water consumption of 28%. We launched three new exemplar projects, each located in one of the Mayor's Low Carbon Zones.
- **Improving the health of Londoners** – through exemplar projects to improve the health and well-being of Londoners. Good practice is shared through learner networks. In 2009/10 we continued to co-deliver the pan London health and well-being programme Well London in 20 small communities. We also won new funding from London Councils to run a new second tier network to support frontline groups delivering health and well-being services for four years.
- **Improving the lives of disadvantaged communities** – through exemplar projects to address social and environmental inequalities. Good practice is shared through learner networks. During 2009/10 we continued our work to tackle environmental poverty, supporting communities on the Pepys Estate, Deptford in conducting citizen science techniques. We extended the scope of the work from noise pollution to air quality.
- **Increasing the knowledge and skills of London's communities to achieve these goals**, increasing the sustainability literacy of Londoners. During 2009/10, we launched *Surround*, a new tool to support organisations to embed sustainable development into their projects and delivery plans.

In addition, London Sustainability Exchange pursues its charitable objectives and generates unrestricted revenues and reserves through being funded by London organisations to provide sustainability expertise. During the year we have been funded by local authorities to support their campaigns to get employees to take up more sustainable behaviours. For example we were commissioned to support the City of London Corporation's staff "green team" members through a toolkit and workshops. These helped to increase the green teams' confidence and skills to engage and encourage their colleagues to take up energy and waste saving practices.

LONDON SUSTAINABILITY EXCHANGE

DIRECTORS REPORT (continued)

FOR THE YEAR ENDED 31ST MARCH 2010

ACHIEVEMENTS AND PERFORMANCE

We identified a number of organisational priorities for the year and strategies for achieving public benefit. Our performance against our main objectives for the year is detailed below. This is a summary from a wider suite of performance indicators which LSx's Trustees review on an annual basis.

The following table presents a summary of LSx's achievements in 2009/10.

<i>Performance Indicator</i>	<i>Value (rounded to appropriate significant figures)</i>
Resources saved:	
CO ₂ savings (tonnes/year)*	1400 tonnes
Water saving (m ³ /year)*	11,800 m ³
Waste diverted from landfill (tonnes/year)*	1.2 tonnes
Beneficiaries reached directly: <i>Mechanisms include provision of direct support and/or capacity building activities through projects, and information dissemination through events, communication materials and media</i>	
Number of people trained	2,681
Number of people mentored	188
Number of individuals receiving an action plan	18
Other outreach e.g. attending events	14,353
No. people reached through information dissemination (incl. media)	916,216
<i>Total direct outreach</i>	933,456
<i>Of which,</i>	
<i>Through non-media sources</i>	101,547
<i>Through media sources</i>	831,909
Beneficiaries reached indirectly: <i>Mechanisms include capturing those who benefit from the information or advice provided to direct beneficiaries</i>	
Number of people benefitting from Learner Network members skills development and/or community messaging	1,850,784
Reaching those not traditionally reached:	
% project beneficiaries from Black, Asian and minority ethnic communities	49%
% project beneficiaries women	60%
% project beneficiaries with a disability	9%

* using notional figures in some cases, taking as a proxy the proportion of direct beneficiaries who, when surveyed, indicated they had already adopted, or were planning to adopt, recommended behavioural changes.

In addition to the above, we have a number of key achievements for the year against our objectives.

Objective 1: Growing participation in our Learner Networks

2009/10 target: We aimed to grow our Energise London network to 1,000 members and run 11 events. We aimed to grow our Well London Learner network to 2,000 people, and run 6 events.

Our Energise London network grew to 1,006 members and we delivered 11 events, in addition over 80 hours' one to one signposting and other second tier support services. One of the highlights of the events series was *Behaviour Change for a More Sustainable London*, a conference held on 10th September 2009 at the Wallace Space. Contributors included Doug McKenzie Mohr, an internationally renowned pioneer in community-based social marketing, the RSA's Matthew Taylor and Defra adviser Andrew Darnton. 125 people took part in the event which aimed to increase awareness and understanding of theoretical and practical approaches to behaviour change, which can be used to improve energy and water efficiency, tackle obesity or reduce anti-social behaviour. Participants' comments included "the best event I've ever been to! Now I know what I want to do" and "really good to meet people through workshops with whom I could develop partnership projects".

Our Well London Learner Network grew to 1,346 people and we ran 6 events. One of the events LSx coordinated was *Youth, Health and Happiness*, which supported participants to engage and work with young people to boost health and

LONDON SUSTAINABILITY EXCHANGE

DIRECTORS REPORT (continued)

FOR THE YEAR ENDED 31ST MARCH 2010

ACHIEVEMENTS AND PERFORMANCE (continued)

well-being The event was co-produced by young people from our 20 Well London communities, who also led workshops and gave talks on the day Workshops included 'challenging perceptions', 'how do we get young people through the door?' and 'how can we create youth-centred projects?' 74 people participated and feedback from them included "Very useful for listening to young people's views on how to maintain engagement in services and getting advice on ways to improve the way I engage with young people "

We also cascaded learning from the Well London programme to policy makers and practitioners through online resources and a publication

Objective 2 Delivering exemplar projects that improve well-being, reduce poverty and reduce the environmental footprint of Londoners:

2009/10 target: As part of Well London, we aimed to commission partners organisations local to our 20 target communities to deliver 10 cook and eat courses, 20 community feasts, 5 projects to increase access to healthy, affordable food, and 6 Well London delivery team projects (teams of resident volunteers who signpost people to Well London activities and other services and resources for well-being).

As part of Well London, and in partnership with local groups, we completed delivery of 8 cook and eat courses, 18 community feasts, 7 projects to increase access to healthy, affordable food (delivered by our partner Sustain), and 4 Well London delivery team projects (teams of resident volunteers who signpost people to Well London activities and other services and resources for well-being) In addition, we commissioned 10 new cook and eat courses, 1 community feast, 14 projects to increase access to healthy, affordable food and 5 Well London Delivery Team projects

We also commenced new projects to improve well-being We won new funding from London Councils to run a second tier network for four years to support frontline organisations delivering health and well-being services, called the Healthier London Support Network We also held an event to educate, inspire and enable Councillors to champion health through community empowerment, supported by the London Empowerment Partnership

2009/10 target. As part of Energise London, we aimed to conclude our exemplar project in Wandsworth, with the aim of supporting 1000 householders to reduce their CO₂ emissions by 20%. We also aimed to launch and complete a new exemplar project in an area of London with high domestic CO₂ emissions per capita.

As part of Energise London, during 2009/10 we concluded our exemplar project in Wandsworth This supported 1879 individuals from households and businesses across the target area, to achieve notional reductions in CO₂ emissions of 20% and water consumption of 28% The project used different approaches to reach three communities within the Borough

- A estate-based participatory budgeting project with Battersea Fields Estate residents
- A community-based social marketing project training champions in Tooting, with London 21,
- A "peer-pioneers" project working with Rotary Clubs across the Borough using home audit kits

We also launched 3 new exemplar projects in 3 of the Mayor's Low Carbon Zones and are continuing our work with Rotary groups across London

2009/10 target: We aimed to continue our exemplar project to tackle environmental poverty on the Peyps Estate in the Borough of Lewisham, extending the scope of the citizen science project from noise pollution to air quality.

During 2009/10, we extended the scope of our work on Environmental Equalities in the Peyps Estate from noise pollution to air quality Aspects surveyed using citizen science techniques included

- * Lichens as bio-indicators for atmospheric nitrogen, such as ammonia (NH₄), levels
- * NO₂ measurement using diffusion tubes
- * Ozone monitoring through badges
- * Initial work began on windows and tree leaf monitoring particular matter (dust, PM10, PM 2.5)
- * Local perceptions of air quality recorded using 'Eye on Earth' technology

LONDON SUSTAINABILITY EXCHANGE

DIRECTORS REPORT (continued)

FOR THE YEAR ENDED 31ST MARCH 2009

ACHIEVEMENTS AND PERFORMANCE (continued)

Objective 3: To deliver exemplar projects to reduce the environmental footprint of organisations

2009/10 target: We set out to begin work under a new business support project Ecovate, and support 30 businesses to showcase eco-innovation. We aimed to support third sector organisations to do adopt more sustainable practices in conjunction with the City Bridge Trust.

Our work to support organisations to reduce their environmental impacts has been progressing well. We have developed action plans with 9 small to medium-sized businesses and supported a further 25 businesses interested in showcasing eco-innovation.

Following an analysis of support currently being provided to London schools, we identified a significant gap in efforts to engage school governors. We began a new initiative to support a network of 45 school governors and one school in each of 22 boroughs, to achieve more sustainable practices across campus, curriculum and community, as well as 20% reductions in CO₂ emissions and water consumption.

Finally, we began developing action plans for 4 business networks and one housing association, under our Energise London project. These action plans will outline how each organisation will work with their members to reduce their energy and water consumption by 20%.

Objective 4. To develop core working models to support organisations to embed sustainable development into their strategies and delivery plans

2009/10 target: We aimed to developing core working models to support organisations to embed sustainable development into their strategies and delivery plans. We aimed to cascade and further develop our sustainability matrix tool.

Our sustainability matrix tool was launched in June 2009 as the Surround (Sustainability in the Round) Tool at a workshop. The Surround Tool is an interactive tool for anyone designing and delivering projects aimed at improving quality of life in London. This tool helps project managers to make the links between different aspects of the community the project could impact on at an early stage and gives guidance on how to strengthen the project.

We developed two other toolkits during 2009/10 to help organisations embed sustainability into the projects and strategies,

- We produced the *Environmental Equality toolkit* in the autumn of 2009. The toolkit presents explanation of why environmental equality is important through “vox pops interviews” and success stories from across London including LSx’s exemplar projects in Deptford and Barking and Dagenham. It also includes an interactive evaluation tool. The tool was developed with input from practitioners, through a testing session at the *Equalities and Sustainability in London Planning conference* run by London Civic Forum on 16th July 2009.
- We launched *Step by Step: the toolkit for governing a sustainable school*, in March 2010. The toolkit is part of a wider support package LSx is delivering for school governors, and was developed in consultation with governors. Key resources include film footage and interviews of governors who have been able to deliver sustainability in their schools under Campus, Curriculum and Community aspects, together with ideas and inspiration around how others might start pushing this forward within their own institutions. This was complemented by an ‘Arguments against Inaction’ section and templates for presentation slides to Headteachers and other members of the governing body.

Objective 5: To increase our influence on policy and practice, particularly with London regional and local government

2009/10 target: To increase our influence on policy and practice, particularly with London regional and local government. We aimed to influence the new Economic Development Strategy, the next iteration of the London Plan, and other Mayoral strategies relevant to sustainability.

LONDON SUSTAINABILITY EXCHANGE

DIRECTORS REPORT (continued)

FOR THE YEAR ENDED 31ST MARCH 2010

ACHIEVEMENTS AND PERFORMANCE (continued)

During the reporting period we held breakfast seminars, workshops and discussions with a variety of stakeholders in order to inform the following consultation responses

- London Plan (London's Spatial Development Strategy)
- Mayor of London's Economic Development Strategy
- London Councils Commissioning process
- Mayor of London's Climate Change Mitigation & Energy Strategy

Objective 6: To maintain our unrestricted funds through a membership scheme, sponsorship of LSx and marketing our behaviour change expertise

2009/10 Target: To secure new funding of £75,000.

During the year we successfully attracted £101,536 of new funding for the year 2009/10, although only £36,192 of this amount was unrestricted funding

LONDON SUSTAINABILITY EXCHANGE

DIRECTORS REPORT (continued)

FOR THE YEAR ENDED 31ST MARCH 2010

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Explanatory note

This is London Sustainability Exchange's second annual report and set of accounts, as LSx began to operate as an independent charity from 1st April 2008. Previously our financial performance was reported on as part of Forum for the Future's annual accounts, because we operated as a programme of this organisation.

Review

The year ended 31 March 2010 was a successful one for London Sustainability Exchange and this was reflected in the financial performance.

The Statement of Financial Activities shows LSx's income was £816,394. Total expenditure for the year amounted to £972,177, resulting in net outgoing resources of £155,783. Of the net outgoing resources, £165,455 were restricted and £58,000 has been allocated as the estimated cost were we to close. The charity ended the year with overall net assets of £333,676.

During the year, London Sustainability Exchange continued to grow its activities, due to the following factors:

- Our major programmes Well London, Energise London and Ecovate continued to operate.
- During 2009-10 we secured £162,500 of new grant funding from London Councils to deliver a new second tier support service for frontline health organisations, from October 2009 to December 2012.
- We secured £75,425 of Defra grant funding through a partnership agreement with the National Union of Students, for support to the delivery of their *Degrees Cooler project*. The project is greening universities through behaviour change, and LSx is coordinating monitoring and evaluation activities.
- We continued to develop our behaviour change programmes, winning a contract for £20,633 from the City of London to deliver a staff communications campaign on energy efficiency and waste reduction.

Reserves Policy

Under our reserves policy, we aim to hold unrestricted funds that are not designated to future activities or commitments of at least two quarters' spend. The target unrestricted "free" reserves so calculated equates to a range between £384k and £514k, based on spend in 2008/9. Carrying forward adequate unrestricted "free" reserves underpins the successful implementation of LSx's charitable objectives by providing a measure of protection against unexpected drops in income or increases in expenditure. At present, LSx has £289,764 unrestricted free reserves, which includes the estimated cost of closure funds (£58k).

LONDON SUSTAINABILITY EXCHANGE

DIRECTORS REPORT (continued)

FOR THE YEAR ENDED 31ST MARCH 2010

PLANS FOR 2010

On the 1st April 2009, London Sustainability Exchange began implementation of a new three year business plan (for 2009-12), with a focus on six objectives

- 1 To grow participation in our Learner Networks
- 2 To deliver exemplar projects that improve well-being, reduce poverty and reduce the environmental footprint of Londoners
- 3 To deliver exemplar projects to reduce the environmental footprint of organisations
- 4 To develop core working models to support organisations to embed sustainable development into their strategies and delivery plans
- 5 To increase our influence on policy and practice, particularly with London regional and local government
- 6 To maintain our unrestricted funds through a membership scheme, sponsorship of LSx and marketing our behaviour change expertise

London Sustainability Exchange will continue to develop and implement a range of programmes, to be measured by according to targets in our business plan and our performance measurement framework

Our targets for the coming financial year include

- 1 Growing participation in our Learner Networks We aim to grow our Energise London network to 1250 members and run 11 events We will grow our Well London Learner network to 1550 people, and run 6 events We will create the Healthier London Support Network for fifteen organisations providing mental health and health improvement services in different parts of London, and will run 4 events
- 2 Delivering exemplar projects that improve well-being, reduce poverty and reduce the environmental footprint of Londoners
 - a As part of Well London, we will support partner organisations local to our 20 target communities to deliver 10 cook and eat courses, 11 community feasts, 7 projects to increase access to healthy, affordable food, and 6 Well London delivery team projects (teams of resident volunteers who signpost people to Well London activities and other services and resources for well-being) We will deliver a project called ActivEAT to promote healthy eating for sport (football) to 20 football teams of young people, one per Well London target community
 - b As part of Energise London, we aim to progress our three exemplar schemes, working in the Mayor's Low Carbon Zones in Muswell Hill, Lewisham Town Centre and Ham and Petersham, with the aim of supporting 1000 householders to reduce their CO₂ emissions by 20% by 2012
 - c Conclude our exemplar project to tackle environmental poverty on the Pepys Estate in the Borough of Lewisham, a citizen science project to address noise pollution and air quality
- 3 Delivering exemplar projects to reduce the environmental footprint of organisations We will continue to deliver the Ecovate project, and support 30 businesses to showcase eco-innovation We will support third sector organisations to adopt more sustainable practices in conjunction with the City Bridge Trust
- 4 Producing sustainability action plans for 2 business networks and 1 housing association
- 5 Increasing our influence on policy and practice, particularly with London regional and local government We aim to influence the Mayoral Water Strategy, Air Quality Strategy and Climate Change Adaptation strategies
- 6 Given that we have a proportion of unrestricted funds that we are carrying forward from last year, our fundraising target is limited to £75,000

LONDON SUSTAINABILITY EXCHANGE

DIRECTORS REPORT (continued)

FOR THE YEAR ENDED 31ST MARCH 2010

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of the result for that year.

In preparing these financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Trustees is aware at the time the report is approved

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Haysmacintyre, have expressed their willingness to continue in office and a resolution proposing their re-appointment will be put to the forthcoming Annual General Meeting.

Approved by the Board on **23 JUNE** 2010 and signed on their behalf by



Christopher Orchard

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LONDON SUSTAINABILITY EXCHANGE

We have audited the financial statements of London Sustainability Exchange for the year ended 31 March 2010, which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 495 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

The Trustees, who are also the directors of the company for the purposes of company law, responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Trustees' Report is consistent with those financial statements. In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of Trustees' remuneration specified by law are not made.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 March 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006, and
- the information given in the Trustees' Report is consistent with the financial statements.



Richard Weaver (Senior Statutory Auditor)
for and on behalf of Haysmacintyre, Statutory Auditor

23 June 2010

Fairfax House
15 Fulwood Place
London
WC1V 6AY

LONDON SUSTAINABILITY EXCHANGE
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST MARCH 2010

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2010 £	Total Funds 2009 £
Incoming resources					
<i>Incoming resources from generated funds:</i>					
Donations and legacies		-	-	-	615
<i>Investment Income</i>					
Interest receivable		2,280	-	2,280	7,234
<i>Incoming resources from charitable activities:</i>	2				
Environmental footprint		4,312	258,296	262,608	447,177
Health		-	496,906	496,906	409,564
Knowledge and skills		9,444	-	9,444	160,017
Improving lives		20,156	25,000	45,156	34,402
Total incoming resources		36,192	780,202	816,394	1,059,009
Resources expended	4				
<i>Costs of generating funds</i>					
Fundraising and development		638	15,308	15,946	17,927
<i>Charitable activities</i>					
Environmental footprint		4,156	290,644	294,800	394,538
Health		-	500,107	500,107	341,163
Knowledge and skills		6,104	40,825	46,929	86,411
Improving lives		12,756	59,422	72,178	36,038
<i>Governance costs</i>		1,690	40,527	42,217	50,833
Total resources expended		25,344	946,833	972,177	926,910
Net incoming (outgoing) /resources before transfers		10,848	(166,631)	(155,783)	132,099
Transfers in the year / of operations	9	(1,176)	1,176	-	357,360
Net incoming (outgoing) /resources after transfers		9,672	(165,455)	(155,783)	489,459
Opening fund balances		280,092	209,367	489,459	-
Funds at 31st March 2010		<u>£289,764</u>	<u>£43,912</u>	<u>£333,676</u>	<u>£489,459</u>

There were no recognised gains and losses other than those shown in the above SOFA

All amounts relate to continuing operations

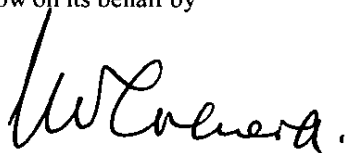
The notes on pages 16 to 22 form part of the financial statements

BALANCE SHEET

AT 31ST MARCH 2010

	Notes	£	2010	£	£	2009	£
CURRENT ASSETS							
Debtors	7	98,051			56,564		
Cash at bank and in hand		410,185			569,816		
		<u>508,236</u>			<u>626,380</u>		
CREDITORS: amounts falling due within one year	8	(174,560)			(136,921)		
NET CURRENT ASSETS				333,676			489,459
TOTAL ASSETS LESS CURRENT LIABILITIES				333,676			489,459
NET ASSETS	10			<u>£333,676</u>			<u>£489,459</u>
FUNDS							
Unrestricted Funds				289,764			280,092
Restricted funds				43,912			209,367
	9			<u>£333,676</u>			<u>£489,459</u>

The financial statements were approved and authorised for issue by the Board on **23 JUNE** 2010 and were signed below on its behalf by



Christopher Orchard

The notes on pages 16 to 22 form part of the financial statements

LONDON SUSTAINABILITY EXCHANGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2010

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards and the Statement of Recommended Practice on Accounting by Charities (SORP 2005)

Income

With the exception of voluntary income arising from voluntary donations and gifts, all income is credited to the statement of financial activities on a receivable basis

Voluntary donations and gifts are credited to the statement of financial activities in the year in which they are received

Expenditure

Direct charitable expenditure comprises direct expenses incurred on the defined charitable purposes of the charity and includes direct staff costs attributable to the activity and an allocation of the general management and overhead costs

Overheads are apportioned across the LSx cost centres in line with the ratio of staff costs of the cost centre in question to total staff costs, excluding the staff costs of those support cost centres that are included in the allocation. The type of costs that are allocated in this way include all office costs (rent, rates, asset hire, utilities, stationery, telephone, insurance etc) and support cost centres (ie finance, IT, HR and office services)

Fundraising and development costs comprise expenditure incurred by the charity in inducing others to make contributions to it and in enhancing its public image and includes direct staff costs and an allocation of general management and overhead costs

Governance costs include expenditure and the cost of compliance with constitutional and statutory requirements

Pensions

The charity operates a group personal pension plan which is a direct contribution scheme. Contributions are charged to the SOFA in the periods to which they relate

Fund accounting

The unrestricted funds comprise those monies which may be used towards meeting the charitable objectives of the charity at the discretion of the directors

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor-imposed conditions

Operating lease

Amounts payable under operating leases are charged to the SOFA in the period to which they relate

LONDON SUSTAINABILITY EXCHANGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 2010

2	CHARITABLE ACTIVITIES	Unrestricted Funds £	Restricted Funds £	Total 2010 £	Total 2009 £
	Central government (Public sector)	20,156	283,296	303,452	561,240
	Corporate	7,316	-	7,316	40,655
	Trusts and foundations	6,440	496,906	503,346	449,265
	Total income from charitable activities	£33,912	£780,202	£814,114	£1,051,160
3	NET MOVEMENT IN FUNDS FOR THE YEAR			2010 £	2009 £
	This is stated after charging Auditors remuneration			7,875	7,500
4	RESOURCES EXPENDED	Direct Costs £	Support Costs £	Total Direct and allocated 2010 £	2009 £
(a)	Analysis of Direct and Allocated Support Costs				
	Costs of generating funds				
	Fundraising and development	-	15,946	15,946	17,927
	Charitable activities				
	Environmental footprint	242,848	51,952	294,800	394,538
	Health	452,200	47,907	500,107	341,163
	Knowledge and skills	39,014	7,915	46,929	86,411
	Improving lives	63,002	9,176	72,178	36,038
	Governance Costs	7,873	34,344	42,217	50,833
	Total expenditure	£804,937	£167,240	£972,177	£926,910
(b)	Analysis of Support Costs			Total 2010 £	Total 2009 £
	Staff costs			82,463	62,691
	Publishing costs			4,658	3,820
	Travel and subsistence costs			402	272
	Operational costs			11,690	8,800
	Consultancy costs			1,777	6,012
	Event costs			40	1,262
	Office costs			11,158	9,806
	IT costs			11,779	9,100
	Administration costs			3,883	3,599
	Accommodation costs			39,390	30,060
				£167,240	£135,422

LONDON SUSTAINABILITY EXCHANGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 2010

5 STAFF COSTS AND DIRECTORS' REMUNERATION

	2010	2009
	£	£
Staff costs during the year were as follows		
Wages and salaries	355,860	357,096
Social Security costs	33,637	38,043
Pensions	15,216	16,115
Temporary Staff	14,571	-
Staff recruitment and training	8,554	3,523
	<u>£427,838</u>	<u>£414,777</u>

The number of staff whose total emoluments fell into higher salary bands was

	2010	2009
	Number	Number
£70,001 and £80,000	<u>1</u>	<u>1</u>

The average number of employees, analysed by function was

Direct charitable purpose of the charity	10.5	10.5
Fundraising and development	0.5	0.5
	<u>11</u>	<u>11</u>

No Trustees received any remuneration or reimbursed expenses in the year

6 TAXATION

London Sustainability Exchange is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities

7 DEBTORS

	2010	2009
	£	£
Trade debtors	97,544	56,057
Other debtors and prepayments	507	507
	<u>£98,051</u>	<u>£56,564</u>

8 CREDITORS amounts falling due within one year

	2010	2009
	£	£
Trade creditors	154,355	105,256
Other creditors and accruals	7,873	12,417
Other taxes and social security	12,332	19,248
	<u>£174,560</u>	<u>£136,921</u>

LONDON SUSTAINABILITY EXCHANGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 2010

9 FUNDS	At 1 April 2009 £	Incoming Resources £	Outgoing Resources £	Transfers	At 31 March 2010 £
Unrestricted funds					
- general	280,092	36,192	(25,344)	(1,176)	289,764
Restricted funds					
002 MOTIVATE LONDON (ML) Primary funder London Councils	14,165	(14,165)	-	-	-
Project ongoing					
004 DIVERSE LONDON (DL) Primary funder Defra	(318)	-	-	318	-
Deficit to be met from our reserves					
006 GREENER FOOD (GF) Primary funder London Development Agency	6,961	(5,875)	(1,129)	-	(43)
Funds to be repaid to funder					
007 SOUTH ASIAN CC (SACC) Primary funder Defra	(858)	-	-	858	-
Deficit to be met from our reserves					
008 ENERGISE LONDON (EL) Primary funder London Councils	56,591	184,953	(200,701)	-	40,843
Project ongoing					
010 URBANBUZZ (UB) Primary funder UrbanBuzz	47,574	-	(30,366)	-	17,208
Project ongoing					
012 ENVIRONMENTAL JUSTICE (EJ) Primary funders City Parochial Foundation and Homes and Communities Academy	44,805	-	(35,513)	-	9,292
Project ongoing					
WELL LONDON TOTAL Primary funders Big Lottery (administered by GLA, London Health Commission) Project Ongoing WELL LONDON	20,433	496,905	(524,047)		(6,709)
013 BUYWELL (WLBW)					
014 EATWELL (WLEW)					
015 DELIVERY TEAM (WLDT)					
016 WELLNET (WLWN)					
017 WELL LONDON - MATCH FUNDING (WLMF) Primary funders Tower Hamlets PCT and Barking and Dagenham PCT	4,431	-	(1,850)	-	2,581
Project ongoing					

LONDON SUSTAINABILITY EXCHANGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 2010

9. FUNDS (continued)	At 1 April 2009 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 March 2010 £
018 ECOVATE (E8) Primary funders ERDF (administered by CESMB, Middlesex University)	(215)	53,038	(74,712)	-	(21,889)
Project ongoing 020 SUSTAINABILITY MATRIX TOOL (SMT) Primary funders Homes and Communities Academy	13,304	-	(13,700)	-	(396)
Project ongoing 021 GREENING STUDENTS LIFESTYLES (GLS) Primary funders Defra (administered by National Union of Students)	2,494	40,346	(39,661)	-	3,179
Project ongoing 022 HEALTHY LONDON SUPPORT NETWORK Primary funder London Councils	-	25,000	(25,154)	-	(154)
Total	<u>£489,459</u>	<u>£816,394</u>	<u>£972,177</u>	<u>£ -</u>	<u>£333,676</u>

Motivate London is a project motivating Londoners to adopt greener lifestyles and the surplus of this project has been refunded to the London Councils

Diverse London promotes resource efficiency with culturally diverse communities across the capital The deficits from this project were met from our reserves

Greener Food promotes sustainable business practice with food and drink sector SME's The surpluses from the project were refunded to the London Development Agency The deficit of £43 accumulated after the project was completed

South Asian CC looks at shifting attitudes towards climate change amongst South Asian communities The deficit from this project was met from our reserves

Energise London promotes energy efficiency, renewable energy and water conservation across London £40,843 surplus is committed income and will be carried forward In April 2010 £15,429 of this balance was clawed back Included within programme 184,953 funding was received in the year from London Councils amounting to £241,544, of which £200,701 was spent on delivering the programme At the year-end, £40,843 remained unspent and is being carried over into the next financial year In April 2010 £15,429 of this balance was clawed back

Urbanbuzz promotes knowledge transfer and grows skills for future sustainability professionals through intern placements

Environmental Justice involves improving the lives of disadvantaged communities The project is ongoing

LONDON SUSTAINABILITY EXCHANGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 2010

9. FUNDS (continued)

The Well London project is an ongoing project. The deficit recorded here is as a result of an under-claim in our overheads which will be recovered from the funder this year

Well London Projects:

- *Buywell and Eatwell* are helping to improve access to healthy eating options in deprived communities
- *Well London Delivery Team* is a project to help encourage and enable community engagement for wellbeing
- *Wellnet* involves sharing knowledge and learning to support health and wellbeing professionals

Well London Match Funding is helping to improve access to wellbeing related activities and services in deprived communities. The project is ongoing

Ecovate promotes eco-innovation amongst London based SME's. The project is ongoing. The Deficit represents overhead costs, which will be claimed at the year end

Sustainability Matrix Tool looks at facilitating integrated decision making for sustainability outcomes. The deficit from this project will be from our reserves

Greening Students Lifestyles promotes sustainable lifestyles amongst students across England. The project is ongoing

Healthier London Support Network project funded by London Councils is delivering a second tier network for three years to support frontline organisations delivering health and well-being services. Included within programme £25,000 funding was received in the year from London Councils of which £25,154 spent on delivering the programme

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total 2010 £	Total 2009 £
Fund balances at 31 March are represented by				
Net current assets	289,764	43,912	333,676	489,459
Long term liabilities	-	-	-	-
Net assets	<u>£289,764</u>	<u>£43,912</u>	<u>£333,676</u>	<u>489,459</u>

11. LIABILITY OF MEMBERS

The charity is constituted as a company limited by guarantee. In the event of the charity being wound up members are required to contribute an amount not exceeding £1 per member

LONDON SUSTAINABILITY EXCHANGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 2010

12 OPERATING LEASE COMMITMENTS

	2010 Other £	2009 Other £
Annual commitments under non cancellable operating leases are as follows		
Less than one year	-	-
Between two and five years	28,000	28,000
In more than five years	-	-
	<u>£28,000</u>	<u>£28,000</u>

13 RELATED PARTY TRANSACTIONS

Below are the related third party transactions for our Trustees

- During the year the charity paid £9,547 to South Bank Employers Group (SBEG) where Andrew Eddy is an LSx Trustee and has a (non)-exec role with SBEG – who are a partner organisation under the broader Well London Alliance (Sports Action Zone)
- £209,953 was received from London Councils where Cllr Sean Brennan is a nominated LSx Trustee from London Councils. London Councils are the funder for the Energise London project
- Paul Edwards is a Trustee of LSx but also works with Hammerson who have agreed to host all LSx Board Meetings at no cost
- £4,313 has been received by LSx from the City Bridge Trust for the Greening the Third Sector project. LSx Board Observer Simon Mills is an employee of the City of London
- £496,906 was received from the GLA for the Well London programme where LSx Board Observer Jeff Jacobs is an employee